BUSINESS PLAN

Manual
for Assessing
Public Water Supply System Capability
August 21, 2003

WATER SYSTEM ID:	**0450002**
WATER SYSTEM NAME:	**City of Carrollton Water System**
COUNTY NAME:	**Carroll**
OWNER'S NAME:	**City of Carrollton**
ADDRESS:	**315 Bradley Street** **Carrollton, GA 30117**
PHONE NO.:	**(770) 830-2000**

CONTENTS

PART I – MANAGERIAL CAPACITY

A. ASSESSING MANAGEMENT CAPABILITIES

1. A description of the organization that clearly defines primary responsibility for all key personnel involved in the management and operation of the water system and reporting relationships.

The City of Carrollton is organized under the Mayor and Council – Manager form of government. As prescribed in Georgia Laws 1961, Page 2945, the City Charter was amended creating the position of "City Supervisor". According to the amendment the "City Supervisor" shall be the administrative head of the municipal government and who shall be responsible for the efficient administration of all departments. Section 2.82 of the Carrollton Code was added in 1975 stating that the "City Supervisor" shall have the title and be known as "City Manager".

Under this form of local government the Mayor and Council (4 council members elected by ward and the mayor elected at-large) set city policy, carry out the city's legislative function and conduct other activities as prescribed by Charter and applicable laws. The Mayor is the Chief Elected Official (CEO) of the city and in addition to the policy/legislative functions has other executive and ceremonial responsibilities as prescribed by charter and applicable laws.

The Mayor and Council retain the services of a City Manager who is the Chief Administrative Officer (CAO) of the city and responsible for implementing policy and day-to-day operation of the city. The City Manager serves at the pleasure of the Mayor and Council. Exhibit A-1 depicts the city's current organizational chart and reporting relationships.

The City Manger has designated and assigned the Public Utilities Administrator/City Engineer as the departmental director responsible for management/administration of the City's Public Utilities Operations, including:

1. Systems Upkeep (including Facilities Maintenance)
2. Water Plant Operations
3. Wastewater Plant Operations (including Spray Fields)
4. Water Quality Operations (including Back Flow Protection Program)
5. Utility Billing Manager (including Meter Readers and Cashiers)

The Public Utilities Administrator/City Engineer reports directly to the City Manager.

Each of the above operational components are under the immediate supervision of a Superintendent level employee who reports directly to the Public Utilities Administrator/City Engineer. Exhibit A-2 depicts the organizational chart and reporting relationship within the Public Utilities Division.

As it relates to the Water System's operational components, a brief description of their responsibilities and identification of key personnel follow. The Superintendents of each report directly to the Public Utilities Administrator/City Engineer.

- Systems Upkeep (including Facilities Maintenance) – Maintains, inspects, tests, repairs and improves the water distribution system including piping, valves, hydrants, large meters and electrical/mechanical equipment/systems. Key personnel: Superintendent, Crew Leaders, Electrical/Mechanical Technicians.

- Water Plant Operations – Provides all required and necessary operating activities for the testing and treatment of water in accordance with permit criteria and applicable laws, regulations, guidelines and management/policy directives. Key personnel: Superintendent, Chief Operator, Lab Analyst, Plant Operators, Maintenance Technician.

- Water Quality Operations – Coordinates the System's backflow protection programs; coordinates periodic hydrant flushing programs; inspects new water line installation and supervises sanitation testing; assists in handling customer complaints regarding water quality; assists in providing consumer education regarding water conservation. Key personnel: Superintendent.

- Utility Billing Operations – Responsible for the preparation, distribution and collection of monthly utility bills. Directly supervises meter reading crews (including small meter repairs and replacement program). Directly supervises cashier team which receive, enter, account for and reconcile all utility collections. Serves as primary customer service staff member for customer complaints and either addresses or refers for appropriate resolution. Key Personnel: Utility Billing Manager; Meter Reading Crews, Cashiers.

2. Contact information for those responsible for the policy decisions, ensuring compliance with state regulatory requirements, and day-to-day operations.

- *Mayor and City Council*

  Telephone: 770-830-2000
  Fax: 770-830-2026
  Mail: City Hall, 315 Bradley Street
  Carrollton, Georgia 30117
  Contact Via Website: *carrollton-ga.gov*
  Regularly Scheduled Meetings: 1st and 3rd Monday of each month at 7:30 p.m., Council Chambers, Public Safety Complex, 115 West Avenue, Carrollton, Georgia 30117

- *City Manager*

  Telephone: 770-832-2000
  Fax: 770-830-2026
  Mail City Hall, 315 Bradley Street
  Carrollton, Georgia 30117
  E-Mail: *ccoleman@carrollton-ga.gov*

- *Public Utilities Administrator/City Engineer*

  Telephone: 770-830-2000
  Fax: 770-830-2026
  Mail: City Hall, 315 Bradley Street
  Carrollton, Georgia 30117
  E-Mail : *mteal@carrollton-ga.gov*

- *Water Plant Superintendent*

  Location: 1007 North Park Street
  Carrollton, Georgia 30117
  Telephone: 770-830-2021
  Fax: 770-214-0950
  Mail: City Hall, 315 Bradley Street
  Carrollton, Georgia 30117
  E-Mail: *lmason@carrollton-ga.gov*

- *Systems Upkeep Superintendent*

Location:	533 Kings Bridge Road Carrollton, Georgia 30117
Telephone:	770-830-2023
Fax:	770-830-2026
Mail:	City Hall, 315 Bradley Street Carrollton, Georgia 30117

- *Water Quality Superintendent*

Location:	1007 North Park Street Carrollton, Georgia 30117
Telephone:	770-830-2021
Fax:	770-214-0950
Mail:	City Hall, 315 Bradley Street Carrollton, Georgia 30117
E-Mail:	*jkent@carrollton-ga.gov*

- *Utility Billing Manager*

Telephone:	770-830-2000
Fax:	770-830-2026
Mail:	City Hall, 315 Bradley Street Carrollton, Georgia 30117
E-Mail:	*rreid@carrollton-ga.gov*

NOTE: In addition to the contact information referenced above after hours, holiday and weekend ”on-call” crews from the Public Utilities Division can be reached by contacting the City’s After Hours Electronic Call Center at 770-830-2000 and following the menu prompts. The Carroll County 911 Emergency Dispatch Center also maintains an on-call and emergency contact list for the Public Utilities Division and will notify the appropriate personnel in the event of an emergency situation.

3. Description of any contract for management or operations of the system and how legal, engineering, and other professional services are provided.

There are no external contracts for management or operation of the Carrollton Water System.

Primary legal services are provided by the City Attorney and the partners/associates of his firm. Mr. William J. Wiggins is City Attorney and has served in that capacity for over 40 years. The firm, Wiggins and Camp, P.C., is located in Carrollton, Georgia and was established in 1948. In addition, for legal matters falling under the purview of the City's liability, property and comprehensive insurance policies through the Georgia Interlocal Risk Management Agency (GIRMA), the Agency may assign legal counsel to represent the City.

Also, from time to time the City may retain outside special legal counsel such as bond counsel and environmental counsel for specific legal matters.

Keck and Wood, Inc. is the City's primary engineering consultant for public utilities. The firm has served in this capacity for over 35 years. The firm provides general consulting service on the operation and maintenance of the water system and provides or has provided: preliminary engineering reports; system planning and design; construction management; rate studies; resident engineering; surveying; specification/bid preparations; system mapping; utility billing; and reservoir planning/construction/management to list a representative sample.

Keck and Wood, Inc. is a professional cooperation providing consulting services in the areas of environmental engineering, surveying, civil engineering, community planning, digital mapping/GIS, computer programming, and related technical disciplines. Founded in 1954 the firm has a professional staff of nearly 100 and maintains four offices in Georgia (including Carrollton) and one office in Rock Hill, South Carolina.

Also, from time to time on a project/program specific basis the City may utilize the services of other engineering/professional consultants and or State University of West Georgia personnel. Examples include: dam design; geotechnical assessments/testing; reservoir water quality assessments; watershed protection ordinances, etc.

On behalf of the Public Utilities Division the City from time to time retains the services of a Financial Advisor (FA) particularly as it relates

to analyzing financial data for planning and/or implementing system upgrades/expansions utilizing one or more available alternative debt instruments. Mr. Bryce Holcomb of the Robinson-Humphrey Company, LLC currently serves the City System in that capacity on an “as needed” basis

In addition, the system maintains a number of service/maintenance agreements for control operation elements including: data gathering/monitoring equipment; SCADA System; calibration/ maintenance of laboratory equipment; calibration/maintenance of chemical feed systems; outside independent lab testing; and water quality testing.

The City has just recently entered into a three-year agreement with the State University of West Georgia for comprehensive water quality testing in the Little Tallapoosa Watershed. The testing parameters are based on findings from the West Georgia Regional Watershed project.

4. Identification of the ownership and description of the legal basis of the system ownership.

The City of Carrollton owns the Carrollton Water System. Section XXVIII of the City Charter provides the basic legal authority for system ownership. That section states in its opening sentence: “ The Mayor and City Council of the City of Carrollton shall have full power and authority to establish and maintain a system of water works and sanitary sewerage for said City . . .”

Promulgation of this broad policy authority is contained in multiple sections of the City Code of Ordinances and regulatory design/development guidelines.

5. Description of any leases or easements for land, water supply sources, or physical facilities used in the operation of the system.

The majority of water facilities operated by the City of Carrollton Water System are owned in fee simple title by the City. Obviously, the City does retain easements throughout the City for underground water lines too voluminous to list in this report. Easement records for this purpose are on file in the City’s Record Retention Center. In addition, all property abutting Sharpe Creek Reservoir is subject to a 100 foot permanent, perpetual easement by the City which runs with the property and is recorded with the deed for the purpose of storing flood waters and protecting the water quality of the reservoir. The easement restricts development, structures, cultivation, etc. except as permitted by prior authorization of the City.

Lake Buckhorn as a water supply reservoir for the City of Carrollton was arranged by agreement with the U. S. Department of Agriculture, Soil Conservation Service in the 1960's. During the construction of the dam for Buckhorn the City secured a perpetual easement to use the top 10 feet of water volume in the reservoir for supplementing City water supplies.

6. Description of the qualification of the owners and managers of the system including experience in owning or operating other water systems.

NAME	POSITION	YEARS OF EXPERIENCE	CERTIFICATION(S)
Mark Teal	Public Utilities Adm./City Engineer	9 (--)*	Georgia P.E. No. 024601
Lewis Mason	Water Treatment Plant Superintendent	33 (--)*	Class I Water Operator Water Laboratory Analyst Water Distribution Operator
Brad Wilson	Chief Operator	27 (--)*	Class II Water Operator
Russell Bailey	Lead Maintenance Tech.	20 (--)*	Class I Water Operator Water Distribution Operator
Anne Beck	Lab Analyst	13 (--)*	Water Laboratory Analyst Class III Water Operator
Tony Cash	Operator	17 (--)*	Class II Water Operator
David Helton	Operator	6 (--)*	Class III Water Operator
Jimmie L. Bottoms	Operator	5 (7)*	Class II Water Operator
Chuck Jackson	Operator	3 (--)*	Class III Water Operator
Shannon McBrayer	Operator	2 (--)*	Class III Water Operator
Joe Kent	Water Quality Superintendent	9 (8)*	Class I Water Operator
Mike Green	Systems Upkeep Superintendent	7 (5)*	Water Distribution Operator
Gary Wright	Sr. Crew Leader	3 (9)*	Water Distribution Operator
Robert Reid	Utility Billing Mgr.	>1 (--)*	----------

( )* Indicates experience with other water systems.

7. Description of a training plan to keep management and operators current with the regulatory requirements of managing a water system.

Training and continuing education are integral to the City's goals as incorporated in the City's Mission Statement. Specifically the statement says, in order to provide the necessary infrastructure/public facilities; properly plan and prepare for present and future needs; and provide responsive, dependable, cost-effective services; a competent, creative, capable, skilled and motivated work force is a must. Such a work force is dependent upon on-going training and continuing education. To that end the City places a high priority on training/continuing education and appropriates significant funds in support of same.

Specifically as it relates to the water system priorities for training include (in no particular order): employee/facility safety; certification/re-certification as required by applicable rule; regulatory compliance and regulatory updates; water quality; operational improvements/ efficiencies; and equipment/facility maintenance and repairs. For department director and superintendent level employees management and employee supervisory training are also a priority.

All water system employees are offered periodic opportunities to participate in training and continuing education activities as determined by system/employee needs, evolving developments in the industry, mandated training, assessment recommendations, immediate operational modifications and other pertinent areas as determined by the Public Utilities Administrator/City Engineer and respective Superintendents.

Training resources which are currently or have been previously used include: Georgia Wastewater Institute (GWWI) classes and educational/technical materials; Georgia Water and Pollution Control Association (GWPCA) training sessions and educational/technical materials; Georgia Environmental Protection Division (GA EPD) training sessions and educational/technical materials; Georgia Rural Water Association (GRWA) training sessions and educational/technical materials; U.S. Environmental Protection Agency (USEPA) training sessions and educational/technical materials; Centers for Disease Control (CDC) training sessions and educational/technical materials; and American Waterworks Association (AWWA) training sessions and educational/technical materials. A rotating cross-section of water system personnel typically attend the GWPCA and GRWA annual conferences.

In addition the water system routinely utilizes video and on-line training courses; self-instruction courses from AWWA and others; periodical reviews; in-service instruction from equipment/material/ chemical vendors and manufacturer's representatives; in-service instruction from vendors providing maintenance and calibration on equipment and communication systems; Standard Operating Procedures (SOP) updates; in-service instruction from the City's engineering consultants and faculty at the State University of West Georgia.

8. Emergency Management Plan – The plan should identify known and potential risks (natural or man-made) to the water system; specify the response plan; identify personnel responsible for action; and describe public notification procedures.

The Standard Operating Procedures (SOP) Manual for the Water Treatment Facility outlines emergency procedures for plant personnel. It identifies the most likely risks including power failure, fire, explosion, flood or storm damage, and toxic spills and establishes the response plan. By administrative directive the contact protocol is as follows:

- Whenever a situation arises which threatens normal operations such problems should be reported as soon as practical to the Plant Superintendent or in his absence the Public Utilities Administrator/City Engineer for consultation and assessment.

- If a situation results in, or represents the reasonable possibility that, normal water service will be temporarily interrupted, reduced to certain users or otherwise curtailed the Public Utilities Administrator/City Engineer shall contact the City Manager for consultation and assessment.

  If in fact service is temporarily interrupted, reduced to certain customers or otherwise curtailed the Public Utilities Administrator/City Engineer shall contact and advise: critical use customers which may be affected; local media outlets; Carroll County 911 Dispatch; the Carrollton Fire and Police Departments; and other City offices/departments likely to receive public inquires. The information will also be posted on the City's website at *carrollton-ga.gov*. The City Manager will advise the Mayor and Council. Periodic updates will be provided to the above until normal operations are restored.

- If a situation results in, or represents the reasonable possibility, that water not meeting safe drinking water

standards or containing possible contaminants could be introduced into the distribution system the plant operator shall immediately shut down plant operation and contact the Plant Superintendent or in his absence the Public Utilities Administrator/City Engineer who in turn shall contact the City Manager for consultation and assessment.

If in fact a situation is confirmed requiring cessation of plant operation the Public Utilities Administrator/City Engineer shall contact and advise; The Georgia Environmental Protection Division; engineering consultants to access necessary corrective actions; critical use customers; the Carroll County Health Department; local media outlets; Carroll County 911 Dispatch; Carrollton Fire (including the HAZ MAT Team) and Police Departments; other city offices likely to receive public inquires. The information will also be posted on the City's web site at *carrollton-ga.gov*. The City Manager will advise the Mayor and Council. Periodic updates will be provided to the above until normal operations are restored.

NOTE: Depending upon the scope and severity of an occurrence as referenced above additional Public Agencies may also be contacted and consulted. It may also be necessary to establish a centralized "call center" for responding to public inquires.

- If a natural disaster (flood/storm damage, etc.) or other cause (fire/explosion, etc.) should render the water plant inoperable the plant operator shall immediately contact the Plant Superintendent or in his absence the Public Utilities Administrator/City Engineer who in turn shall contact the City Manager for consultation and assessment.

  The Public Utilities Administrator/City Engineer shall contact and advise: all necessary local and state public safety and emergency response agencies; the Georgia Environmental Protection Division; engineering consultants to assess damages and necessary repairs; critical use customers; local media outlets; all necessary local and state public health agencies; city offices/departments likely to receive public inquires. The information will also be posted on the City's website at *carrollton-ga.gov*. The City Manager will advise the Mayor and Council. Periodic updates will be provided ot the above until normal operations are restored.

NOTE: Depending upon the scope and severity of an occurrence as referenced above additional Public Agencies may also be contacted and consulted. It may also be necessary to establish a centralized "call center" for responding to public inquires.

The City Manager shall be the official City public spokes person on all matters regarding a water system emergency. However, the Manager may designate the Public Utilities Administrator/City Engineer, Plant Superintendent, engineering consultants or other representatives to speak on behalf of the City particularly on technical issues.

9. Description of customer service policies, including providing customers information and handling complaints.

The Carrollton Water System has in place policy directives for standard customer services including: meter deposits; cut-offs/cut-ons; meter re-reads; line extensions (design/construction standards, inspections, testing, cost); hydrant use; water restrictions (drought contingency plan); collections; billing adjustments; cross connections; backflow prevention, rate adjustments, etc.

Customer information is provided in a variety of ways, Annually, the Consumer Confidence Report (CCR) is mailed directly to each water account customer. It is also posted on the City's website at *carrollton-ga.gov*, placed at the public library and posted at City Hall and the Water Treatment Facility. In addition to the mandated information the Report also includes water source information, conservation tips and where to receive additional information from both the local Water System and EPA's Safe Drinking Water Hotline.

In addition, Water System information is periodically posted on the City's website at c*arrollton-ga.gov* and periodic updates on overall City operations, including the Water System, are available via e-mail by means of the city's innovative "We-Mail" subscriber service. Also, the City publishes a quarterly newsletter which is distributed to all water customer accounts which contains pertinent information on overall City operations including the Water System

For certain activities involving the Water System such as scheduling system repairs/upgrades and the scheduled hydrant flushing program where temporary service disruptions may occur the city uses paid newspaper and radio announcements and the reverse 911 system which produces a computer generated telephone

message to those residents/businesses in the geographic area to be affected.

The Utility Billing operation is primarily responsible for addressing customer complaints. Complaints may be handled by one of the cashiers or as necessary the Utility Billing Manager. The vast majority of complaints are handled at this level. Complaints which can not be satisfactorily resolved at the Utility Billing level can be referred to the Public Utilities Administrator/City Engineer and the City Manager for consideration and action.

10. If the person in charge of operations has other responsibilities unrelated to the Water System, it is necessary to provide information showing that the operator will have sufficient time to be readily available to execute his or her responsibilities readily.

None of the Superintendent level (Plant Superintendent, Systems Upkeep Superintendent, Water Quality Superintendent and Utility Billing Manager) employees have other responsibilities unrelated to the Water System.

Historically Department Director level employees in the City of Carrollton organization have been expected to assume managerial responsibilities in related areas. By way of example managers at this level includes the Finance Officer/City Clerk; Human Resources Officer/Deputy Clerk; Street and Sanitation Director; and Fire Chief/Homeland Security Coordinator. Similarity the Department Director level employee over the Water System, the Public Utilities Administrator/City Engineer, has management responsibilities which also include the Wastewater System, development activities and traffic engineering. However, strong staffing at the Superintendent level in all these areas enables this organizational structure to work successfully. It has been in place in this general form for over ten years with overall satisfactory results. In fact, in several of the interrelated areas it has significantly improved coordination and cooperation and thus operational effectiveness and efficiency.

11. Disclosure of any encumbrances, trust indentures, bankruptcy decrees, legal orders or proceeding, or other items that may effect or limit the owner's control of the System.

None.

12. Disclosure of any plans to change the ownership of the system once the system is completed and, if know, identification of the future owners.

N/A

B. OPERATIONS and MAINTENANCE - Operational demands placed on all water systems are rising to unprecedented levels. Some indication of whether these operational needs can be met is provided through consideration of the following series of questions.

Does your operations staff have the right training and credentials?

YES _**X**_ NO ___ Is the person in-charge of operating your system certified at the classification required by the Georgia Rules for Safe Drinking Water, Chapter 391-3-5?

YES _**X**_ NO ___ Does your operator receive training on an ongoing basis to keep abreast of current development in the water field?

Does your staff fully understand and meet all current monitoring requirements?

***YES _**X**_ NO ___ Do you have a history free of monitoring violations?

YES _**X**_ NO ___ Are you aware of and do you understand provisions for obtaining waivers from monitoring requirements and the role of vulnerability assessment?

Are you confident you understand what it will take to met future operational demands?

YES _**X**_ NO ___ Can you make an appraisal of the additional operational requirements on your water system based on the categories of questions presented above? (Do you know how this forecast matches up against your current level of operational capability?)

YES _**X**_ NO ___ Does your water system obtain any regular or occasional Technical assistance from outside sources, such as your engineer, other utilities, or organizations specifically dedicated to providing technical assistance?

YES _**X**__ NO ___ Are you aware of all the assistance programs that are available to you?

***** The system has had monitoring violations in one area only (HHA5), which were promptly rectified. There is no history or pattern of repeated violations

C. MANAGEMENT and ADMINISTRATION – The following questions highlight the general types of management systems that should exist in some form. Although some of these items may sound sophisticated, they can exist in very simple forms and get the job done very effectively. As a general rule, they need be no more sophisticated than necessary to meet the needs of the system.

Is it clear who is in charge of what?

YES _X_ NO ___	Is there a clear plan of organization and control among the people responsible for management and operation of the system?
YES _X_ NO ___	Are the limits of the operator's authority clearly know?
YES _X_ NO ___	Are all the specific functional areas of operations and management assigned?
YES _X_ NO ___	Does everyone involved in operations know who is responsible for each area?
YES _X_ NO ___	Is someone responsible for scheduling work?

Are there clear rules and standards?

YES _X_ NO ___	Do you have explicit rules and standards for system modifications?
YES _X_ NO ___	Do you have rules governing new hook-ups?
YES _X_ NO ___	Do you have a water main extension policy?
YES _X_ NO ___	Do you have standard construction specifications to be followed?
YES _X_ NO ___	Do you have a "Standard Operating Procedures" manual?
YES _X_ NO ___	Do you have measures to assure cross-connection control and backflow prevention?
YES ___ NO _X_	Do you have policies or rules describing customer rights and responsibilities?

Do you have a deliberately organized regulatory compliance program?

YES _X_ NO ___	Do you fully understand monitoring requirements and have a scheduling mechanism to assure compliance?
YES _X_ NO ___	Do you have a mechanism to obtain the most recent information on regulatory requirements?
YES _X_ NO ___	Do you know how to obtain clarification or explanation of requirements?
YES _X_ NO ___	Do you maintain adequate records to document compliance?
YES _X_ NO ___	Do you know what to do in the event of a violation?

Are you prepared to handle emergencies?

YES _X_ NO ___ Do you have an emergency response plan?

YES _X_ NO ___ Is there a contingency for making emergency interconnections to neighboring systems, and do you know they will work when needed?

YES _X_ NO ___ Does everyone involved in operations know what they are to do in the event of contamination form a toxic or hazardous waste spill in your source water or potential contamination due to a water main break or a storage tank failure?

YES _X_ NO ___ Do you have a clear chain-of-command protocol for emergency action?

YES _X_ NO ___ Is someone responsible for emergency operations, for communications with state regulators, for customer relations, for media relations?

Are your operations conducted safely?

YES _X_ NO ___ Do you have a safety program defining measures to be taken if someone gets hurt?

YES _X_ NO ___ Does everyone understand the risks and safety measures involved in handling water treatment chemicals?

YES _X_ NO ___ Do you have a written operating procedures for both routine and emergency system operations?

YES _X_ NO ___ Are you fully aware of OSHA confined space regulations?

Do you have an organized approach to maintenance?

YES _X_ NO ___ Do you have a system for scheduling routine preventive maintenance?

YES _X_ NO ___ Do you have a system for assuring adequate inventory of essential spare parts and back-up equipment?

YES _X_ NO ___ Do you have relationships with contractors and equipment vendors to assure prompt priority service?

YES _X_ NO ___ Do you have records and data management systems for system operating and maintenance data, for regulatory compliance data, and for system management and administration?

Is your management capability complete?

YES _X_ NO ___ Are you getting the outside services and technical assistance you need? Do you have adequate legal counsel, insurance, engineering advise, technical/operations assistance, rate case preparation, and financial advice?

PART II – FINANCIAL CAPACITY

A. FINANCIAL INFORMATION –This section of the Business Plan must provide detailed information for items 1 through 2, listed below, by answering to each of the "yes" or "no" questions asked, and by completing all of the Budgeting Worksheets under Pact C.

1. An in-depth, 5-year budget that includes revenue, operating expense, reserve, and capital improvement information.

2. A description of the budget and expenditure control procedures and the reports that assure adequate budget control; purchasing procedures or policies to prevent misuse of funds; and a demonstration that the system has adopted generally accepted accounting and auditing procedures (GAAP).

B. ASSESSING YOUR FINANCES – The following questions illustrate some features of "good' financial planning and management to serve as points of comparison for self-assessment. although every system cannot achieve perfection, the more "yes" answers, the better it is.

Are current financial planning mechanisms adequate?

YES **X** NO ___	Do you have any annual budget?
YES **X** NO ___	Does your budget process provide for depreciation of the existing plant or funding reserve?
YES ___ NO **X**	Do you use the budgeting process to determine your annual revenue requirements via either the cash needs approach or the utility approach, as described in the AWWA Revenue Requirements Manual (M35)?
YES **X** NO ___	Do you regularly review you water rates?
YES **X** NO ___	Do you have a capital budget or capital improvement plan that projects future capital investments needs (at least five Years) into the future?
YES **X** NO ___	Do you have a process for scheduling and committing to capital projects?
YES **X** NO ___	Does your planning process account for all the potential capital needs suggested by all of the preceding questions in this manual?
YES **X** NO ___	Does your long-term planning incorporate analysis of different methods that might offer cost savings to customers, such as consolidation with other nearby systems or sharing operations and management expenses with other nearby systems?

Are current financial management mechanisms adequate?

YES _X_ NO ___	Does your water system presently operate on a break-even basis?
YES _X_ NO ___	Does it generate surplus revenue?
YES ___ NO _X_	Does it operate at a loss?
*YES _X_ NO ___	Does the water system keep all the water revenues (i.e., water revenue does not support other municipal departments or unrelated activities)?
YES _X_ NO ___	Do you employ standardized accounting and tracking systems?
YES _X_ NO ___	Do you track budget performance?
YES _X_ NO ___	Do you have procedures for billing and collection?
YES _X_ NO ___	Do you keep records to substantiate depreciation of fixed assets and counting for reserve funds?
YES _X_ NO ___	Are financial management record keeping systems organized?
YES _X_ NO ___	Are controls exercised over expenditures?
YES _X_ NO ___	Are controls exercised to keep from exceeding your budget?
YES _X_ NO ___	Are there purchasing procedures?
YES _X_ NO ___	Are there procedures for election of outside contractors and suppliers?

* The water enterprise fund reimburses the general fund for certain costs incurred by the general fund on behalf of the water fund such as office space, management salaries, utilities, etc. NO general transfers are made to support any other fund or any unrelated activities.

PART III – BUDGETING WORKSHEETS

This section of the Business Plan includes four budgeting worksheets. Each worksheet provides space for budget data from the prior year, current year, and four years into the future. Together, these four worksheets provide a tool by which to project the future financial needs of the system and availability to meet these needs – or the system's financial viability.

INTRODUCTION

The City of Carrollton Water System has historically posted annual positive operating fund balances. A fiscally conservative budgeting philosophy; annual rate reviews; appropriately supported adjustments; and

focus on operational efficiencies have assisted in affecting this result. The system has approximately $ 7 million in cash reserves, $4.5 million of which are unrestricted and end enjoys an Aa1 bond rating.

Over the past ten years the system has been involved in a comprehensive upgrade/expansion of treatment, distribution, storage, supply and support components of the system. These improvements have been financed by a combination of revenue bonds, GEFA/SRF loans and renewal extension/capital equipment reserves. In addition, the system continues an annual program of renewal/replacement of equipment, systems, technologies and facilities. Proposed system improvements, estimated costs, alternative financing sources and scheduling are contained in the City's five-year work plan.

The system has successfully coped with the challenge of the prolonged drought dating from the mid 1980's (until the short-term relief of late). The system is now successfully addressing the loss of a major user as the Carroll County Water Authority transitions from a customer to providing its own treated water supply. Even with these major challenges the system continues to produce annual positive fund balances. It is projected this historic trend will continue over the next five years.

The City's fiscal goals and objectives for the system are to position rates/fees at or near the midpoint of a cross-section of Georgia communities while ensuring sufficient revenues to fully support the water/wastewater enterprise fund including current operations, current/future capital improvements, reserve accounts (capital equipment and renewal/extensions), depreciation, debt service and a positive annual fund balance. At this writing and as projected in this plan those goals and objectives are being met.

WORKSHEETS TO FOLLOW:

A – Expense Budget
B – Capital Budget
C – Reserves Budget
D – Revenue Analysis